

HOUSE BILL 1271

By Smith

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 33; Title 56 and Title 71, relative to medical
assistance.

WHEREAS, the federal government desires that states become laboratories of policy experimentation; and

WHEREAS, this State has a history of policy innovation in Medicaid as the TennCare program demonstrates; and

WHEREAS, the federal Patient Protection and Affordable Care Act, Pub. L. 111-148, as amended, has created an inequity when persons with incomes between 100% and 400% of the federal poverty line are eligible for federal subsidies to obtain health insurance coverage but persons with incomes below 100% of the federal poverty line are ineligible for those subsidies and are left to the differing coverages of the various state Medicaid systems; and

WHEREAS, in fiscal year 1979-1980, Medicaid cost this State \$116,000,000, but TennCare now costs this State approximately \$3,400,000,000; and

WHEREAS, if the federal government were to block grant the same amount of federal funds now used to finance the TennCare program, this State could provide health insurance benefits to persons with incomes below 138% of the federal poverty line; and

WHEREAS, the block granting of federal Medicaid funds would convert the federal share of Medicaid funding for this State into an allotment tailored to meet this State's needs and indexed for inflation and population growth; and

WHEREAS, the block granting of federal Medicaid funds would be revenue neutral to this State and to the federal government in the present and in the future without increasing the federal debt; and

WHEREAS, the block granting of federal Medicaid funds to this State is a worthy policy innovation that the federal government should approve for demonstration in this State under a new federal Section 1115 waiver under the Social Security Act; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 71, Chapter 5, Part 1, is amended by adding the following new section to be appropriately designated:

The commissioner of finance and administration is directed to submit to the federal centers for medicare and medicaid services a waiver amendment to the existing TennCare II waiver or to submit a new waiver in order to provide medical assistance to the TennCare II waiver population and to expand medical assistance eligibility in this state to persons with income of less than one hundred thirty-eight percent (138%) of the federal poverty line by means of a block grant in accordance with provisions of this act within one hundred twenty (120) days of the effective date of this act. The block grant authorized by this section shall convert the federal share of all medical assistance funding for this state into an allotment that is tailored to meet the needs of this state and that is indexed for inflation and population growth.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.